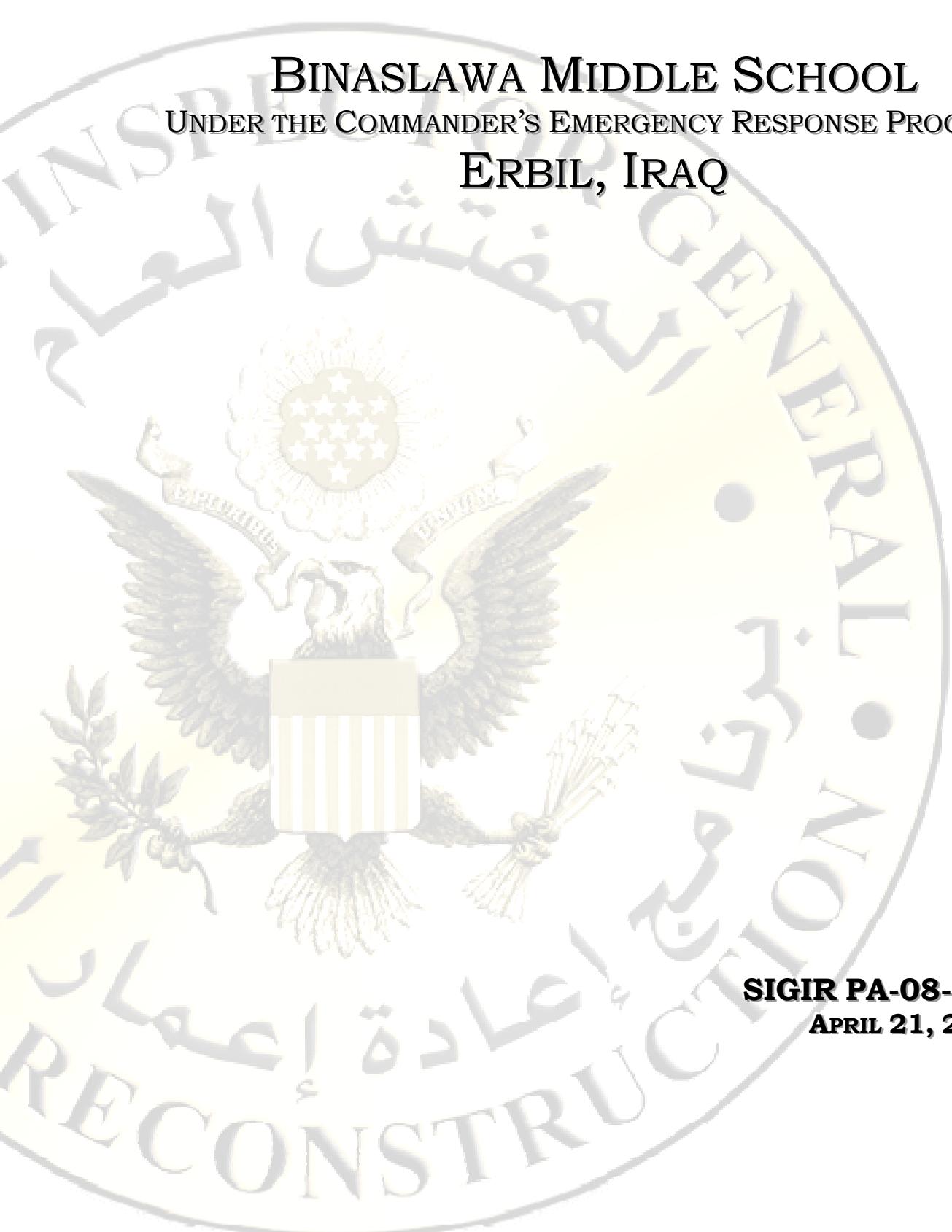


BINASLAWA MIDDLE SCHOOL

UNDER THE COMMANDER'S EMERGENCY RESPONSE PROGRAM

ERBIL, IRAQ



**SIGIR PA-08-121**  
**APRIL 21, 2008**

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## SPECIAL INSPECTOR GENERAL FOR IRAQ RECONSTRUCTION

April 21, 2008

MEMORANDUM FOR COMMANDING GENERAL, UNITED STATES CENTRAL  
COMMAND  
COMMANDING GENERAL, MULTI-NATIONAL FORCES-IRAQ  
COMMANDING GENERAL, MULTI-NATIONAL CORP-IRAQ  
COMMANDING GENERAL, JOINT CONTRACTING COMMAND-  
IRAQ/AFGHANISTAN  
COMMANDER, GULF REGION DIVISION, U.S. ARMY CORPS OF  
ENGINEERS  
DIRECTOR, IRAQ TRANSITION ASSISTANCE OFFICE

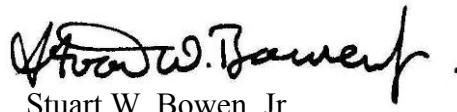
SUBJECT: Report on Project Assessment of the Binaslawa Middle School, Erbil, Iraq (Report Number SIGIR PA-08-121)

The Office of the Special Inspector General for Iraq Reconstruction is assessing projects funded by the Commander's Emergency Response Program to provide real-time relief and reconstruction information to interested parties to enable appropriate action, when warranted.

This report is being provided for your action. It addresses the current status of construction of the Binaslawa Middle School, Erbil, Iraq, and whether intended objectives will be achieved.

This report contains findings and recommendations for corrective action addressed to the Multi-National Corps-Iraq. Management comments on a draft of this report were requested from Multi-National Corps-Iraq but not provided. DoD Directive 7650.3 requires that all recommendations be resolved promptly. The Special Inspector General for Iraq Reconstruction requests that the Multi-national Corps-Iraq or Multi-National Force-Iraq provide comments on the four recommendations in this report.

We appreciate the courtesies extended to our staff. If you have any questions please contact Mr. Brian Flynn at [brian.flynn@iraq.centcom.mil](mailto:brian.flynn@iraq.centcom.mil) or at DSN 318-343-9244. For public or congressional queries concerning this report, please contact SIGIR Congressional and Public Affairs at [publicaffairs@sigir.mil](mailto:publicaffairs@sigir.mil) or at 703-428-1100.



Stuart W. Bowen, Jr.  
Inspector General

# **Special Inspector General for Iraq Reconstruction**

**SIGIR PA-08-121**

**April 21, 2008**

## **Binaslawa Middle School Erbil, Iraq**

### **Synopsis**

**Introduction.** This project assessment was initiated as part of SIGIR's continuing assessments of projects funded under the Commander's Emergency Response Program. The overall objectives were to determine whether Commander's Emergency Response Program-funded projects were complying with the terms of their contracts or task orders and to evaluate the effectiveness of the monitoring and controls exercised by administrative quality assurance and contract officers.

**Project Objective.** The objective of the Binaslawa Middle School construction project is to support the emphasis of the Kurdistan Regional Government on education by meeting the heightened demand for schools caused by the increased population in the area. The school will meet the demand for a new village of 600 families that were relocated from the city's old citadel area.

**Project Assessment Objectives.** The objective of this project assessment was to provide real-time relief and reconstruction project information to interested parties to enable appropriate action, when warranted. SIGIR conducted this limited scope assessment in accordance with the Quality Standards for Inspections issued by the President's Council on Integrity and Efficiency. The assessment team included an engineer/inspector and an auditor/inspector. Specifically, SIGIR determined:

1. Were the project components adequately designed before construction or installation?
2. Did the construction or rehabilitation meet the standards of the design?
3. Were the contractor's quality control plan and the United States government's quality assurance program adequate?
4. Was the sustainability of the project addressed?
5. Were the project results consistent with the original objectives?

**Conclusions.** The assessment determined that:

1. Project components were adequately designed prior to construction or installation. The contract Bill of Quantities and drawings—combined with the dialogue between the Multi-National Division-Northeast, the Kurdistan Regional Government, and the contractor—provided sufficient details for the contractor to design the project and perform the work.
2. The quality of the workmanship and materials used in construction that SIGIR observed appears to be adequate. However, without a documented record of test results, photographs, material approvals, etc., SIGIR cannot attest to the quality of the completed work. This includes the structural integrity of load-bearing walls

and floors, and the quality of electrical wiring and indoor plumbing. If poor workmanship or inferior materials result in defective construction, it may not be discovered until after the warranties have expired. The SIGIR inspection noted the following:

- Fire-sensing, fire-alarm, and fire-fighting systems were not installed in the facility and were not required by the contract.
  - The septic tank and cesspool area were not secured to prevent students from entering the area.
  - The cesspool access-door structure showed inferior workmanship and was susceptible to collapse.
3. The contract did not require a quality control plan. However, adequate contractor management and government quality assurance oversight by the site supervisor appear to compensate for the missing quality control plan.
  4. Sustainment planning was not apparent. SIGIR found no evidence that the contract required completion documents, operation and maintenance manuals, user training, and warranties. Without a contractual requirement for these necessary elements, the burden of ensuring sustainment shifts to the Kurdistan Regional Government. The danger that the Kurdistan Regional Government would be unable to sustain the new school is, however, mitigated by the Kurdistan Regional Government's demonstrated capacity to maintain its government infrastructure.
  5. If the site supervisor continues the current level of oversight, the Binaslawa Middle School construction project, when completed, should meet the original contract objectives. The completed project should result in a functioning middle school.

**Other Matters of Interest.** The SIGIR assessment produced the following ancillary concerns about the process that Multi-National Division-Northeast used to award contracts and manage the construction.

1. Authority to award contracts:

Under Commander's Emergency Response Program's Standard Operating Procedures (paragraph 4.e.), contracts for United States-appropriated and Iraqi-funded Commander's Emergency Response Program projects exceeding \$500,000 must be negotiated by a warranted contracting officer. The contracting officer for Coalition Forces of the Republic of Korea awarded the contract for the Binaslawa Middle School construction project. The contracting officer for the Coalition Forces of the Republic of Korea said that the delegation process for his authority started with the Multi-National Corps-Iraq Commanding General and continued through the Multi-National Division-Northeast Commanding General and Chief of Finance to him. However, the Coalition Forces of the Republic of Korea contracting officer could not provide any documentation showing that he was a warranted contracting officer authorized to award contracts on behalf of the United States.

2. Contract content:

The contract awarded by Multi-National Division-Northeast was not consistent with United States procurement standards and may have impeded effective management and oversight of the work. The contract contains detailed requirements, Bills of

Quantity, and drawings that provide a reasonable design for the contractor to build the school; nevertheless, requirements for a quality control plan, daily site reports, documented test results, and material/equipment approvals were not included. Also, the contract did not require a documented turnover process. Finally, the contract required that bathroom fixtures be produced in Iran, which is currently under United States trade sanctions.

**Recommendations.** SIGIR makes these recommendations:

1. Multi-National Corps-Iraq should coordinate with the Multi-National Division – Northeast to ensure that a sufficient sustainment turnover package is developed before the Binaslawa Middle School construction project is transferred to the Kurdistan Regional Government.
2. Multi-National Corps-Iraq should coordinate with Multi-National Division – Northeast to ensure that the deficiencies identified in the SIGIR inspection are corrected before the project is transferred to the Kurdistan Regional Government.
3. Multi-National Corps-Iraq should conduct a legal review to determine if coalition partners can be authorized to award contracts funded with United States appropriations. If this practice is authorized, Multi-National Corps-Iraq should:
  - a. Ensure that coalition partners who award United States funded contracts are properly warranted.
  - b. Review the content of Multi-National Division-Northeast's contracts to ensure they are consistent with United States procurement policies and standards for the same contract type.
  - c. Remove from all contracts the requirement for Multi-National Division-Northeast contractors to buy Iranian products.
4. If Multi-National Corps-Iraq concludes that legal authority to award contracts funded with United States appropriations cannot be delegated to coalition partners, it should take the necessary action to transfer contract management to the appropriate United States contracting authority.

**Management Comments.** Management comments on a draft of this report were requested from Multi-National Corps-Iraq but not provided. Multi-National Corps-Iraq informed the Special Inspector General for Iraq Reconstruction that requests for comments from them must be made through Multi-National Force-Iraq and United States Central Command. Department of Defense Directive 7650.3 requires that all recommendations be resolved promptly. The Special Inspector General for Iraq Reconstruction requests that Multi-National Force-Iraq and United States Central Command authorize Multi-National Corps-Iraq to provide comments on the four recommendations in this report.

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# **Introduction**

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## **Objective of the Project Assessment**

The objective of this project assessment was to provide real-time relief and reconstruction project information to interested parties to enable appropriate action, when warranted. We conducted this limited scope assessment in accordance with the Quality Standards for Inspections issued by the President's Council on Integrity and Efficiency. The assessment team included an engineer and an auditor/inspector. Specifically, SIGIR determined whether:

1. Project components were adequately designed prior to construction or installation;
2. Construction or rehabilitation met the standards of the design;
3. The contractor's quality control (QC) plan and the U.S. government's quality assurance (QA) program were adequate;
4. Project sustainability was addressed; and
5. Project results were consistent with original objectives.

## **Background**

In May 2003, the Coalition Provisional Authority formalized the Commander's Emergency Response Program (CERP) in Iraq. The program authorized U.S. field commanders to use available funds to respond to urgent humanitarian, relief, and reconstruction requirements within a commander's area of responsibility by executing programs that immediately assist indigenous populations and achieve "focused effects." CERP guidance directs commanders to focus funds on projects that improve water and sanitation, electricity, and civic cleanup and that employ the most Iraqis over an extended period of time.

Initial funding for CERP came from seized Iraqi assets and the Development Fund for Iraq. In August 2004 the United States began to appropriate U.S. dollars to CERP and by the end of December 2007, Congress had appropriated over \$2.6 billion for the CERP program in Iraq.

The Multi-National Corps-Iraq (MNC-I) is the overall program coordinator for CERP. MNC-I publishes *Money as a Weapon System* (MAAWS), a policies and procedures manual that directs program execution and establishes the goals for CERP funding. MNC-I currently consists of seven Major Subordinate Commands (MSC) headquartered throughout Iraq. The MSCs' purpose is to initiate and execute both reconstruction and non-construction projects in their areas of responsibility. In fiscal year 2007, the individual MSC areas of responsibilities were the following:

- Multi-National Division-Baghdad – U.S. Army forces
- Multi-National Division-Center South – Coalition forces (Poland)
- Multi-National Division-Center – U.S. Army forces
- Multi-National Division-North – U.S. Army forces
- Multi-National Division-Northeast – Coalition forces (Republic of Korea)
- Multi-National Division-Southeast – Coalition forces (British and Australian)
- Multi-National Force-West – U.S. Marine Corps forces

Incorporated in the MAAWS are the *Commander's Emergency Response Program Family of Funds Standard Operating Procedures* that provide operating guidelines identifying allowable uses for CERP funds, proposing projects, awarding contracts and managing projects.

### **Project Objectives**

The objective of the Binaslawa Middle School construction project is to support the Kurdistan Regional Government's emphasis on education by meeting the heightened demand for schools caused by the increased population in the area. The school will meet the demand for a new village of 600 families that were relocated from the city's old citadel area.

The Binaslawa Middle School project was proposed and managed by the Multi-National Division-Northeast (MND-NE) which is commanded by coalition forces from the Republic of Korea. The request for MNC-I to fund the project was submitted by the Commander MND-NE on 25 April 2007. The project was approved by the Commanding General MNC-I on 4 May 2007 for \$653,999.

### **Contract, Costs, and Payments**

The contract, written in both English and Korean, was awarded by MND-NE on 16 June 2007 to a local contractor for \$579,735. The period of performance is 16 June 2007 to 16 April 2008. A \$21,876 contract modification was executed on 4 September 2007 for additional land filling and reinforcing glass doors.

A cost breakdown by major element is shown below:

	Original	Modification	New Price
Civil	\$ 524,505	\$ 21,876	\$ 546,381
Electric	\$ 32,935	—	\$ 32,935
Mechanical	\$ 22,295	—	\$ 22,295
Total	\$ 579,735	\$ 21,876	\$ 601,611

### **Scope of Work**

MND-NE coordinated the project with the Kurdistan Regional Government (KRG). The KRG provided an initial list of competitors from which the MND-NE contracting organization selected the winning bidder. Based on comments from the MND-NE contracting officer, the bidders were invited to a site visit and were provided a requirements statement/Bill of Quantities (BOQ) and drawings to prepare their bids. Meetings were held with bidders at the MND-NE compound to screen proposals and award the contract.

Our review of the drawings and specifications showed they provided sufficient detail to ensure the structural integrity of the project. However, the specifications did not have provisions for fire sensing, fire alarm, and fire fighting systems.

The BOQ and drawings, combined with the dialogue between the MND-NE and the bidders provided a sufficient roadmap for the contractor to scope the project and perform the work.

# **Site Assessment**

A SIGIR inspection team consisting of an engineer/inspector and an auditor/inspector visited the construction site on 4 February 2008 to determine the current status and quality of construction. The SIGIR inspection team was accompanied by representatives from MND-NE, the KRG Site Supervisor, and the contractor.

## **Work Completed**

SIGIR was told by the MND-NE Project Manager that the project was approximately 73 percent complete. Our inspection concurred with the project manager's estimate. In general, the quality of the construction at the time of the site visit was considered adequate. However the following deficiencies were identified and need to be corrected before the project is completed:

- Fire sensing, fire alarm and fire fighting systems were not installed in the facility or required by the contract.
- The septic tank and cesspool area was not secured to prevent students from entering the area.
- The cesspool access door structure denoted inferior workmanship and was susceptible to collapse.

## **Work In Progress**

The playground was framed by concrete blocks with two courses above ground. The area had not yet been filled with sand. The grounds were graded and sloping away from the buildings to a location near the perimeter retaining wall through which a number of drain pipes were installed. The workmanship and materials appeared to be adequate. Site Photos 1 and 2 show the grading and drain pipes in the perimeter retaining wall.



**Site Photo 1. Drain pipes in perimeter retaining wall**



**Site Photo 2. Graded facility grounds**

Paving stone will be used to construct walkways and driveways. Some of the driveways were being graded at the time of the inspection but stone laying had not started. Site Photos 3 and 4 show a driveway layout and stacked stone ready for installation.



**Site Photo 3. Driveway being prepared for paving stone installation**



**Site Photo 4. Stacked paving stones**

We observed and photographed different segments of the perimeter fence that were installed but not yet painted. The fence is made with a concrete block foundation; pillars spaced approximately 15 feet apart, and connected with vertical steel pipes approximately 2" square. The materials and workmanship appeared adequate. Site Photos 5 and 6 are examples of the perimeter fence.



**Site Photo 5. Corner segment of the perimeter fence**



**Site Photo 6. Perimeter fence segment**

The single-story building was being finished at the time of the visit. Rendering and painting was partially complete and the workmanship and materials for the outside walls appeared adequate.



**Site Photo 7. Outside finish work in progress**

We observed the inside of the building including the bathrooms, classrooms, halls and stairways. The work was still under construction and approximately 70 percent complete. Specific observations included:

- a. The hallways were complete with adequate floors, walls and lighting
- b. Classrooms floors, walls, and lighting were adequate. Each room had accommodations for two split air conditioning/heating units which were not installed at the time of our visit.
- c. Electrical receptacles were being installed in the computer room floor in about six foot square grids. The receptacles were covered with a clear plastic hinged cover that will protect them from dirt. The quality of the workmanship and materials were adequate. Site Photos 8 and 9 show the wiring through the floor conduit and the covered receptacle.



**Site Photo 8. Electrical wiring routed through conduit in the computer room floor.**



**Site Photo 9.** Covered electrical receptacle installed in the computer room floor

- d. The bathrooms were under construction. The ceilings were about 90 percent complete and the flooring was installed. No sinks or toilet fixtures were installed. Wiring was routed for the ceiling lights which were not installed. The materials and workmanship were adequate. Site Photo 10 shows a partially completed bathroom.



**Site Photo 10.** Bathroom work in progress

- e. The lighting in the classrooms was not installed. Hallway lighting was installed and operating.
- f. Window installation was underway. The windows that were installed functioned properly and the workmanship and materials were adequate.
- g. The stairway to the roof was under construction with the tiling completed but no handrails installed. The slope and step dimensions were adequate as were the workmanship and materials.
- h. Classroom title signs were not yet installed.

The generator building walls and roof were under construction and the workmanship and materials were adequate. The generator floor was not yet laid and the generator was not installed. The contractor confirmed that the generator exhaust will be routed outside the building. The fuel tank installation was adequate. The fuel line to the generator house was not yet installed. Site Photos 11 and 12 show the generator house and fuel tank.



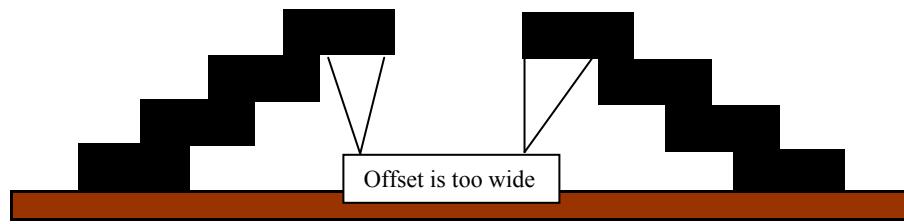
Site Photo 11. Generator house work in progress



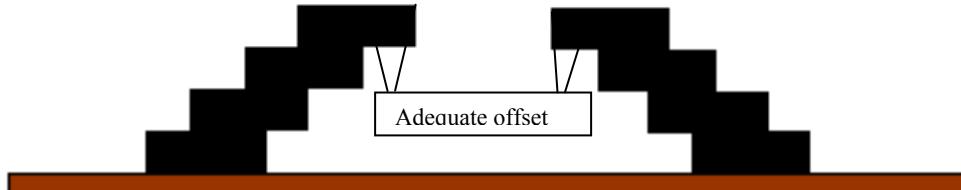
Site Photo 12. Generator fuel tank work in progress

No fire alarms, smoke sensors, or fire extinguishers were in the building nor was there a contract requirement requiring them.

The septic tank and cesspool covers were made of cast iron attached to a concrete frame. The materials and workmanship were adequate. The concrete blocks used to construct the foundation for the access door to the cesspool were not properly offset which weakened the structure and making it vulnerable to collapse. The SIGIR engineer recommended that the construction needs to be redone and the contractor agreed. The weakened structure is depicted in Figure 1 below. Figure 2 illustrates an appropriate offset that would result in an acceptable structure. Site Photos 13 and 14 show the septic tank access covers and the cesspool cover.



**Figure 1. Cesspool block structure with weakened offset blocks**



**Figure 2. Cesspool block structure with appropriate offset blocks**



**Site Photo 13. Septic tank covers**



**Site Photo 14. Cesspool cover**

The area where the septic tanks and cesspool are located is not secured to prevent access by school children and poses a health and safety hazard.

The water tank was connected to the city water main and the building. The tank was mounted on a stand approximately four meters high which gravity feeds to the building.

The public address system had not been installed and could not be tested.

### **Work Pending**

At the time of our site visit, approximately 27 percent of the work required at Binaslawa Middle School remained to be completed. For the most part this involves finish work such as plastering, painting, fixture installation, and landscaping.

## **Project Quality Management**

### **Contractor Quality Control**

Our review of available contract data and discussions with MND-NE officers produced no evidence that the contract required a QC plan nor is there any indication that a plan was prepared by the contractor and approved by MND-NE. The contract contained the following general clauses; however, there was no requirement for the contractor to demonstrate how it intended to implement the requirements:

- All of the work should be according to Iraq General Technical Specifications, Arabic edition 1982 and instructions of the site engineer.
- All materials must be new from the best type approved by the site engineer.
- All construction materials should be tested according to construction works specifications by National Committee for Clinical Laboratory Standards.
- All new electrical, sanitary, and drinking water installation should be tested and approved by the site supervisor after completion of the work.
- The quality and design should be checked by the company engineer before starting the work.

There is no evidence that the contractor was required to submit a record of daily activity, photographs, test results, or materials for review and approval by MND-NE.

There was no documented submission and approval of construction material and products. We could not validate whether materials were reviewed for adequacy and appropriateness by the project manager. The only documented test results involved concrete testing for the foundation confirming that the specified compressive strength was achieved in construction. Without a requirement for a QC plan, responsibility for ensuring the contractor meets contractual requirements and industry standards shifts to the customer.

## **Government Quality Assurance**

MND-ME is responsible for quality assurance (QA) oversight. MND-NE uses a KRG assigned site supervisor to provide the daily management oversight on the project. The site supervisor is expected to visit the site daily and record construction activity in a log which is the basis for weekly status meetings with MND-NE. The log contains the following information:

- project period of performance
- percent complete
- date/weather
- number of contractor employees on site
- brief description of work underway that day
- brief description of problems encountered and solutions

The log does not contain information about tests performed or materials and supplies submitted to the site supervisor for review and approval. The only documented test results involve concrete testing for the foundation confirming that the specified compressive strength was achieved in construction.

Photographs of construction activity were not required from the contractor or site supervisor. However, the MND-NE project manager provided sixty-six photographs of construction work underway during initial phases of the construction. The photographs provided some insight into the construction processes used by the contractor.

We were informed by the MND-NE Project Manager that they are constrained by the number of times they can leave the compound and visit a project during their six month tour of duty in Iraq. The project manager indicated that an MND-NE representative would visit a project site no more than three times in a given year.

MND-NE's quality assurance program is limited to completing the daily log and meeting weekly with the site supervisor to review progress. It does not have a formal QA program that elicits important construction data such as test results, product and materials approval, construction defects, etc. on a timely basis. Failure to effectively monitor ongoing construction activity data could result in accepting defective workmanship and materials leading to latent defects discovered after warranties expire.

## **Sustainability**

The contract does not contain a detailed requirement for delivering turnover documents including:

- operations and maintenance manuals, spare parts, and post construction guides
- as-built drawings that are signed by the recipient acknowledging their receipt and acceptance
- final "punch list" that includes a notice that all deficiencies been completed and accepted
- contractor's final invoice
- contractor's release of claims
- acceptance memorandum signed by representatives from the KRG, USACE and contractor

- final inspection and completion letter

The absence of a formal turnover requirement in the contract imposes an unnecessary burden on the KRG to insure the work is completed and appropriate information, documents, staffing, supplies, etc. are available to operate the facility. The danger that the KRG would be unable to sustain the new school is, however, mitigated by the KRG's demonstrated capacity to maintain its government infrastructure. Nevertheless, operating and maintaining the new school would be less difficult if the contractor were required to provide sufficient turnover documentation and warranty data.

## Conclusions

Based upon the results of our site visit, SIGIR reached the following conclusions for assessment objectives 1, 2, 3, 4, and 5. Appendix A provides details pertaining to Scope and Methodology.

1. Project components were adequately designed prior to construction or installation. The contract Bill of Quantities and drawings—combined with the dialogue between the Multi-National Division-Northeast, the Kurdistan Regional Government, and the contractor—provided sufficient details for the contractor to design the project and perform the work.
2. The quality of the workmanship and materials used in construction that SIGIR observed appears to be adequate. However, without a documented record of test results, photographs, material approvals, etc., SIGIR cannot attest to the quality of the completed work. This includes the structural integrity of load-bearing walls and floors, and the quality of electrical wiring and indoor plumbing. If poor workmanship or inferior materials result in defective construction, it may not be discovered until after the warranties have expired. The SIGIR inspection noted the following:
  - Fire-sensing, fire-alarm, and fire-fighting systems were not installed in the facility and were not required by the contract.
  - The septic tank and cesspool area were not secured to prevent students from entering the area.
  - The cesspool access-door structure showed inferior workmanship and was susceptible to collapse.
3. The contract did not require a quality control plan. However, adequate contractor management and government quality assurance oversight by the site supervisor appear to compensate for the missing quality control plan.
4. Sustainment planning was not apparent. SIGIR found no evidence that the contract required completion documents, operation and maintenance manuals, user training, and warranties. Without a contractual requirement for these necessary elements, the burden of ensuring sustainment shifts to the KRG. The danger that the KRG would be unable to sustain the new school is, however, mitigated by the KRG's demonstrated capacity to maintain its government infrastructure.
5. If the site supervisor continues the current level of oversight, the Binaslawa Middle School construction project, when completed, should meet the original

contract objectives. The completed project should result in a functioning middle school.

### **Other Matters of Interest**

Our assessment produced the following ancillary concerns about the process used by MND-NE to award contracts and manage the construction.

1. Authority to award contracts:

Under Commander's Emergency Response Program's Standard Operating Procedures (paragraph 4.e.), contracts for United States-appropriated and Iraqi-funded CERP projects exceeding \$500,000 must be negotiated by a warranted contracting officer. The contracting officer for Coalition Forces of the Republic of Korea awarded the contract for the Binaslawa Middle School construction project. The contracting officer for the Coalition Forces of the Republic of Korea said that the delegation process for his authority started with the MNC-I Commanding General and continued through the MND-NE Commanding General and Chief of Finance to him. However, the Coalition Forces of the Republic of Korea contracting officer could not provide any documentation showing that he was a warranted contracting officer authorized to award contracts on behalf of the United States.

2. Contract content:

The contract awarded by MND-NE was not consistent with U.S. procurement standards and may have impeded effective management and oversight of the work. The contract contains detailed requirements, Bills of Quantity, and drawings that provide a reasonable design for the contractor to build the school; nevertheless, requirements for a quality control plan, daily site reports, documented test results, and material/equipment approvals were not included. Also, the contract did not require a documented turnover process. Finally, the contract required that bathroom fixtures be produced in Iran, which is currently under U.S. trade sanctions.

## **Recommendations**

SIGIR recommends that:

1. Multi-National Corps-Iraq should coordinate with the Multi-National Division – Northeast to ensure that a sufficient sustainment turnover package is developed before the Binaslawa Middle School construction project is transferred to the Kurdistan Regional Government.
2. Multi-National Corps-Iraq should coordinate with Multi-National Division – Northeast to ensure that the deficiencies identified in the SIGIR inspection are corrected before the project is transferred to the Kurdistan Regional Government.
3. Multi-National Corps-Iraq should conduct a legal review to determine if coalition partners can be authorized to award contracts funded with United States appropriations. If this practice is authorized, Multi-National Corps-Iraq should:
  - a. Ensure that coalition partners who award United States funded contracts are properly warranted.

- b. Review the content of Multi-National Division-Northeast's contracts to ensure they are consistent with United States procurement policies and standards for the same contract type.
  - c. Remove from all contracts the requirement for Multi-National Division-Northeast contractors to buy Iranian products.
4. If Multi-National Corps-Iraq concludes that legal authority to award contracts funded with United States appropriations cannot be delegated to coalition partners, it should take the necessary action to transfer contract management to the appropriate United States contracting authority.

## Management Comments

Management comments on a draft of this report were requested from Multi-National Corps-Iraq but not provided. Multi-National Corps-Iraq informed the Special Inspector General for Iraq Reconstruction that requests for comments from them must be made through Multi-National Force-Iraq and U.S. Central Command. DoD Directive 7650.3 requires that all recommendations be resolved promptly. The Special Inspector General for Iraq Reconstruction requests that Multi-National Force-Iraq and U.S. Central Command authorize Multi-National Corps-Iraq to provide comments on the four recommendations in this report.

The results of this assessment were discussed in detail with the MND-NE project manager on 6 February 2008 and MNC-I on 14 February 2008. An exit conference was held with MNC-I on 5 March 2008. SIGIR would like to express our appreciation for the courtesies offered by personnel from the USACE, MND-NE and MNC-I. Their assistance with logistics, travel, and access to information made for an effective and efficient project assessment and site visit.

## **Appendix A. Scope and Methodology**

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This project was announced on 18 January 2008 and fieldwork concluded on 7 February 2008. The project was performed in accordance with the Quality Standards for Inspections issued by the President's Council on Integrity and Efficiency.

In performing this Project Assessment SIGIR:

- Reviewed contract documentation to include the following: the contract, Statement of Work, and Bill of Quantity;
- Reviewed available design package (drawings and specifications) and available QC and QA documentation;
- Conducted discussions with KRG on-site supervisor officials; MNC-I officers and MND-NE project management and contracting officers;
- Conducted an on-site assessment on 4 February 2008;
- Briefed the results of fieldwork with the MND-NE and MNC-I officers upon completion of fieldwork; and
- Briefed this report to MNC-I officials on 5 March 2008.

## **Appendix B. Acronyms**

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BOQ	Bill of Quantities
CERP	Commander's Emergency Response Program
DoD	Department of Defense
IGTS	Iraqi General Technical Specifications
KRG	Kurdistan Regional Government
MAAWS	Money as a Weapon System
MNC-I	Multi-National Corps-Iraq
MND-NE	Multi-National Division-Northeast
MSC	Major Subordinate Command
QA	Quality Assurance
QC	Quality Control
SIGIR	Special Inspector General for Iraq Reconstruction
USACE	United States Army Corps of Engineers

## **Appendix C. Report Distribution**

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### **Department of State**

Secretary of State

    Senior Advisor to the Secretary and Coordinator for Iraq

    Director of U.S. Foreign Assistance/Administrator, U.S. Agency for International Development

        Director, Office of Iraq Reconstruction

    Assistant Secretary for Resource Management/Chief Financial Officer,  
        Bureau of Resource Management

U.S. Ambassador to Iraq

    Director, Iraq Transition Assistance Office

    Mission Director-Iraq, U.S. Agency for International Development

Inspector General, Department of State

### **Department of Defense**

Secretary of Defense

Deputy Secretary of Defense

Under Secretary of Defense (Comptroller)/Chief Financial Officer

    Deputy Chief Financial Officer

    Deputy Comptroller (Program/Budget)

Deputy Assistant Secretary of Defense-Middle East, Office of Policy/International Security Affairs

Inspector General, Department of Defense

Director, Defense Contract Audit Agency

Director, Defense Finance and Accounting Service

Director, Defense Contract Management Agency

### **Department of the Army**

Assistant Secretary of the Army for Acquisition, Logistics, and Technology

    Principal Deputy to the Assistant Secretary of the Army for Acquisition, Logistics, and Technology

    Deputy Assistant Secretary of the Army (Policy and Procurement)

    Commanding General, Joint Contracting Command-Iraq/Afghanistan

Assistant Secretary of the Army for Financial Management and Comptroller

    Chief of Engineers and Commander, U.S. Army Corps of Engineers

        Commanding General, Gulf Region Division

        Chief Financial Officer, U.S. Army Corps of Engineers

Auditor General of the Army

### **U.S. Central Command**

Commanding General, Multi-National Force-Iraq

    Commanding General, Multi-National Corps-Iraq

    Commanding General, Multi-National Security Transition Command-Iraq

    Commander, Joint Area Support Group-Central

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Comptroller General of the United States  
Inspector General, Department of the Treasury  
Inspector General, Department of Commerce  
Inspector General, Department of Health and Human Services  
Inspector General, U.S. Agency for International Development  
President, Overseas Private Investment Corporation  
President, U.S. Institute for Peace

## **Congressional Committees and Subcommittees, Chairman and Ranking Minority Member**

### **U.S. Senate**

Senate Committee on Appropriations  
    Subcommittee on Defense  
    Subcommittee on State, Foreign Operations, and Related Programs  
Senate Committee on Armed Services  
Senate Committee on Foreign Relations  
    Subcommittee on International Development and Foreign Assistance, Economic Affairs, and International Environmental Protection  
    Subcommittee on International Operations and Organizations, Democracy and Human Rights  
    Subcommittee on Near Eastern and South and Central Asian Affairs  
Senate Committee on Homeland Security and Governmental Affairs  
    Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security  
    Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia  
    Permanent Subcommittee on Investigations

### **U.S. House of Representatives**

House Committee on Appropriations  
    Subcommittee on Defense  
    Subcommittee on State, Foreign Operations, and Related Programs  
House Committee on Armed Services  
    Subcommittee on Oversight and Investigations  
House Committee on Oversight and Government Reform  
    Subcommittee on Government Management, Organization, and Procurement  
    Subcommittee on National Security and Foreign Affairs  
House Committee on Foreign Affairs  
    Subcommittee on International Organizations, Human Rights, and Oversight  
    Subcommittee on the Middle East and South Asia

## **Appendix D. Project Assessment Team Members**

The Office of the Assistant Inspector General for Inspections, Office of the Special Inspector General for Iraq Reconstruction, prepared this report. The principal staff members who contributed to the report were:

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